

City of Kensington

Kensington, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2017

MAPES & MILLER  
Certified Public Accountants  
Phillipsburg, Kansas 67661

CITY OF KENSINGTON  
Kensington, Kansas

For the Year Ended December 31, 2017

City Council

Judy Bates	JoAnn Rice
Max Kuhlmann	Don Dodds
Curtis Beach	

City Offices

David Wahl	Mayor
Amber Hardacre	City Clerk
Tonja Westerman	City Treasurer

City of Kensington  
Kensington, Kansas

For the Year Ended December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Kensington  
Kensington, Kansas 66951

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Kensington, Kansas, a Municipality, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Kensington on the basis of financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Mayor and City Council  
Kensington, Kansas  
October 8, 2018  
Page Two

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Kensington, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Kensington, Kansas, as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2017 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the 2017 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,

***Mapes & Miller LLP***

Certified Public Accountants

October 8, 2018  
Phillipsburg, Kansas

CITY OF KENSINGTON  
Kensington, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH  
REGULATORY BASIS  
For the Year Ended December 31, 2017

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund							
General Operating Fund	\$ 44,135	\$ -	\$ 177,457	\$ 168,213	\$ 53,379	\$ 11,942	\$ 65,321
Special Purpose Funds							
Library Fund	-	-	6,813	6,813	-	-	-
Park & Recreation Fund	531	-	1,741	1,401	871	-	871
Special Highway Fund	795	-	11,929	8,033	4,691	-	4,691
Capital Improvements Fund	314,703	-	-	279,859	34,844	6,875	41,719
Capital Projects Fund							
Well Water Project Fund	(51,200)	-	334,465	332,033	(48,768) *	48,768	-
Business Funds							
Swimming Pool Fund	20	-	11,447	8,697	2,770	117	2,887
Water Fund	31,557	-	100,281	110,804	21,034	3,377	24,411
Sewer Fund	54,056	-	42,643	27,635	69,064	757	69,821
Solid Waste Fund	23,326	-	33,924	27,600	29,650	-	29,650
<b>Total Financial Reporting Entity</b>	<b>\$ 417,923</b>	<b>\$ -</b>	<b>\$ 720,700</b>	<b>\$ 971,088</b>	<b>\$ 167,535</b>	<b>\$ 71,836</b>	<b>\$ 239,371</b>
					Composition of Cash:		
							\$ 40
							200
							29,025
							221,544
							250,809
							(11,438)
							\$ 239,371

\* See Note 3, Cash Basis Exception

The notes to the financial statement are an integral part of this statement.

CITY OF KENSINGTON  
Kensington, Kansas

NOTES TO THE FINANCIAL STATEMENT  
December 31, 2017

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City of Kensington, Kansas, is a municipal corporation governed by an elected mayor and an elected five member council. This financial statement presents the City of Kensington, the Municipality, and does not include its related municipal entities.

**B. Regulatory Basis Fund Types**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the City for the year ended December 31, 2017.

**General Fund** - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Funds** - used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Capital Project Fund** – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

**Business Funds** - funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

**Agency Funds** - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.)

**C. Regulatory Basis Of Accounting And Departure From Accounting Principles Generally Accepted In The United States Of America**

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

#### **D. Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2017.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Projects Funds, Trust Funds and the following:

Special Purpose Fund:  
Capital Improvements Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## 2. STEWARSHIP, COMPLIANCE AND ACCOUNTABILITY

### Compliance with Kansas Statutes

- A. Fund encumbrance records were not maintained during the year ended December 31, 2017 as required by K.S.A. 10-1117.
- B. The City is not aware of any other non-compliance with Kansas statutes.

## 3. CASH BASIS EXCEPTION

- A. Authority is authorized under K.S.A. 74-8905 and the Loan Act to issue revenue bonds for the purpose of providing funds to implement the State's requirements under the Federal Act and to loan the same, together with available funds from the EPA costs. The City had a negative unencumbered cash balance in the Water Well Project Fund at December 31, 2017, because the City must expend monies before they can receive the loan proceeds. K.S.A. 10-1116 provides an exception from a cash-basis law violation for the issuance of bonds. The City expended monies with the expectation of monies being reimbursed under conditions of the KDHE loan agreement.

## 4. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or in an adjoining County, if such an institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk.** State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the City's carrying amount of deposits was \$250,769 and the bank balance was \$255,868. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$250,057 was covered by federal depository insurance, \$5,811 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**Custodial Credit Risk – Investments.** For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

## 5. INTERFUND TRANSFERS

No transfers noted for the year ended December 31, 2017.

## 6. DEFINED BENEFIT PENSION PLAN

**Plan description.** The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

**Contributions.** K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009. KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from the City were \$5,448 for the year ended December 31, 2017.

### Net Pension Liability

At December 31, 2017, the City's proportionate share of the collective net pension liability reported by KPERS was \$58,576. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

### **(a) Other Post Employment Benefits**

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

### **(b) Other Employee Benefits**

#### Vacation and Sick Leave

Sick leave is accumulated on the basis of eight hours for each continuous month of employment. New employees accumulate sick leave beginning with the first month following their employment date. Employees may accumulate sick leave up to ninety working days. Permanent part-time employees earn four hours of sick leave for each month worked. Accumulated sick leave is not paid upon termination of employment.

All full-time employees of the city are entitled to paid vacation. After one full year of employment, they are entitled to five working days of paid vacation. At the end of two years they are entitled to ten working days of paid vacation. At the end of ten years of employment, they are entitled to fifteen working days paid vacation. Five vacation days can be carried over to the following year. Carryover of any additional days must be approved by the City Council. Permanent part-time employees receive half as many days as full-time employees. No vacation may be taken prior to the employee's first anniversary date of employment, with the exception that an employee who has been employed for a period between six months and one year can use one day of vacation and permanent part-time employees may use a ½ day.

## **8. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City has purchased commercial insurance for these potential risks.

During the year ended December 31, 2017, the City did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three years.

## **9. WATER RIGHTS PURCHASE**

On March 9, 2017, the City approved a resolution authorizing the City to enter into a Water Right Purchase Agreement. The City will pay the seller the sum of \$100,000 for the purchase of the well, water rights, and easements to be financed at a rate of 5% per annum, and payable over a nineteen year period. The purchase price will be paid in equal annual installments of \$7,642.33. Payments will begin following approval by the state. One payment for \$7,642.33 was made in 2017.

## **10. SUBSEQUENT EVENTS**

Management has evaluated events subsequent to year end through the date of this report, and does not believe any other events through the date of this report have occurred, which effect the financial statement as presented.

11. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning Balance 1/1/2017	Additions	Reductions/ Payments	Ending Balance 12/31/2017	Interest/ Service Fee Paid
KDHE Loans									
KS Water Supply Loan	1.91%	7/7/16	498,540	2/1/38	\$ -	\$ 334,465	\$ -	\$ 334,465	\$ 66
Total KDHE Loans					-	334,465	-	334,465	66
Purchase Agreement									
Water Rights	5.00%	9/8/16	100,000	9/8/35	92,358	-	3,025	89,333	4,617
Total Purchase Agreement					92,358	-	3,025	89,333	4,617
Total Long-Term Debt					<u>\$ 92,358</u>	<u>\$ 334,465</u>	<u>\$ 3,025</u>	<u>\$ 423,798</u>	<u>\$ 4,683</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

Year	KDHE Loan		Purchase Agreement		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 7,205	\$ 3,333	\$ 3,176	\$ 4,467	\$ 10,381	\$ 7,800
2019	14,617	6,319	3,334	4,308	17,951	10,627
2020	14,898	6,036	3,501	4,141	18,399	10,177
2021	15,183	5,747	3,676	3,966	18,859	9,713
2022	15,475	5,453	3,860	3,782	19,335	9,235
2023-2027	81,945	23,432	22,396	15,816	104,341	39,248
2028-2032	90,116	15,262	28,583	9,629	118,699	24,891
2032-2037	95,026	6,276	20,807	2,114	115,833	8,390
	<u>\$ 334,465</u>	<u>\$ 71,858</u>	<u>\$ 89,333</u>	<u>\$ 48,223</u>	<u>\$ 423,798</u>	<u>\$ 120,081</u>

CITY OF KENSINGTON, KANSAS  
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

FUNDS	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund					
General Operating Fund	\$ 246,130	\$ -	\$ 246,130	\$ 168,213	\$ (77,917)
Special Purpose Funds					
Library Fund	6,874	-	6,874	6,813	(61)
Park & Recreation Fund	2,079	-	2,079	1,401	(678)
Special Highway Fund	15,334	-	15,334	8,033	(7,301)
Business Funds					
Swimming Pool Fund	22,488	-	22,488	8,697	(13,791)
Water Fund	126,387	-	126,387	110,804	(15,583)
Sewer Fund	83,948	-	83,948	27,635	(56,313)
Solid Waste Fund	54,231	-	54,231	27,600	(26,631)

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-1  
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SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2017

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 78,384	\$ 77,625	\$ 759
Delinquent Tax	1,819	3,600	(1,781)
Motor Vehicle Tax	21,835	20,846	989
Recreational Vehicle Tax	242	172	70
16/20M Vehicle Tax	385	777	(392)
Watercraft Tax	-	64	(64)
Commercial Vehicle Tax	1,503	1,085	418
Intangibles Tax	13,254	10,615	2,639
Local Alcoholic Liquor Tax	1,741	1,641	100
Franchise Tax	16,318	19,000	(2,682)
Licenses & Permits	297	1,000	(703)
Fines	517	3,500	(2,983)
Interest on Idle Funds	3,642	4,500	(858)
Reimbursements	20,259	13,000	7,259
Miscellaneous Receipts	2,383	3,000	(617)
Grants	14,878	10,000	4,878
	<u>177,457</u>	<u>\$ 170,425</u>	<u>\$ 7,032</u>
<b>EXPENDITURES</b>			
General Government			
Personal Services	27,752	45,000	(17,248)
Maintenance	1,438	-	1,438
Supplies	3,053	-	3,053
Office Expense	4,783	-	4,783
Utilities	21,775	20,000	1,775
Neighborhood Revitalization Rebate	2,152	1,922	230
Health Insurance	12,774	-	12,774
Accounting & Auditing	8,050	-	8,050
Attorney	3,027	1,400	1,627
Mileage	64	-	64
Contractual	80	10,000	(9,920)
Insurance	16,442	25,000	(8,558)
Fuel	152	-	152
Grants & Donations	7,850	-	7,850
Property Taxes	4,649	8,000	(3,351)
KDHE Loan Interest	66	-	66
Miscellaneous	391	15,000	(14,609)
Alcoholic Beverage Control	25	100	(75)
Remittances	2,987	-	2,987
Reimbursement	3,044	2,003	1,041

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-1  
Page 2 of 2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

GENERAL OPERATING FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
General Government			
KS League	\$ -	\$ 300	\$ (300)
NWKP	-	600	(600)
Printing & Advertising	324	1,500	(1,176)
Merchandise	-	1,000	(1,000)
Capital Outlay	-	48,605	(48,605)
Total General Government	<u>120,878</u>	<u>180,430</u>	<u>(59,552)</u>
Police			
Contractual Services	<u>4,800</u>	<u>10,000</u>	<u>(5,200)</u>
Streets			
Street Material	<u>11,952</u>	<u>-</u>	<u>11,952</u>
Parks & Recreation			
Ground Maintenance	<u>432</u>	<u>-</u>	<u>432</u>
Swimming Pool			
Personal Services	17,846	16,000	1,846
Chemicals	7,158	4,000	3,158
Miscellaneous	147	500	(353)
Red Cross Training	-	600	(600)
Repairs	-	10,100	(10,100)
Utilities	-	1,500	(1,500)
Capital Outlay	-	4,000	(4,000)
Concessions	-	1,500	(1,500)
Total Swimming Pool	<u>25,151</u>	<u>38,200</u>	<u>(13,049)</u>
Grants & Donations	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Outgoing Transfer			
Capital Improvements Fund	<u>-</u>	<u>17,500</u>	<u>(17,500)</u>
Total Expenditures	<u>168,213</u>	<u>\$ 246,130</u>	<u>\$ (77,917)</u>
Cash Receipts Over (Under) Expenditures	9,244		
UNENCUMBERED CASH, January 1, 2017	<u>44,135</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 53,379</u>		

CITY OF KENSINGTON  
 Kensington, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For the Year Ended December 31, 2017

LIBRARY FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Ad Valorem Tax	\$ 5,077	\$ 4,921	\$ 156
Delinquent Tax	132	100	32
Motor Vehicle Tax	1,589	1,524	65
Recreational Vehicle Tax	17	13	4
16/20M Vehicle Tax	27	57	(30)
Commercial Vehicle Tax	110	79	31
Watercraft Tax	-	5	(5)
Neighborhood Revitalization Rebate	(139)	-	(139)
<b>Total Receipts</b>	<u>6,813</u>	<u>\$ 6,699</u>	<u>\$ 114</u>
<b>EXPENDITURES</b>			
Appropriation to Library	<u>6,813</u>	<u>\$ 6,874</u>	<u>\$ (61)</u>
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, January 1, 2017	<u>-</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ -</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

PARK & RECREATION FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
Local Alcoholic Liquor Tax	\$ 1,741	\$ 1,641	\$ 100
EXPENDITURES			
Contractual Services	-	\$ 2,079	\$ (2,079)
Maintenance	1,365	-	1,365
Utilities	36	-	36
Total Expenditures	<u>1,401</u>	<u>\$ 2,079</u>	<u>\$ (678)</u>
Receipts Over (Under) Expenditures	340		
UNENCUMBERED CASH, January 1, 2017	<u>531</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 871</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

SPECIAL HIGHWAY FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
Special Gasoline Tax	\$ 11,929	\$ 11,970	\$ (41)
EXPENDITURES			
Contractual Services	-	\$ 13,334	\$ (13,334)
Repairs	126	-	126
Equipment Maintenance	65	-	65
Equipment Rent	3,528	-	3,528
Supplies	79	-	79
Street Material	3,619	-	3,619
Fuel	616	-	616
Outgoing Transfer			
Capital Improvements Fund	-	2,000	(2,000)
Total Expenditures	<u>8,033</u>	<u>\$ 15,334</u>	<u>\$ (7,301)</u>
Receipts Over (Under) Expenditures	3,896		
UNENCUMBERED CASH, January 1, 2017	<u>795</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 4,691</u>		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2017

CAPITAL IMPROVEMENTS FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Street Repairs	258,592
Water Line Maintenance	<u>21,267</u>
Total Expenditures	<u>279,859</u>
Receipts Over (Under) Expenditures	(279,859)
UNENCUMBERED CASH, January 1, 2017	<u>314,703</u>
UNENCUMBERED CASH, December 31, 2017	<u><u>\$ 34,844</u></u>

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For the Year Ended December 31, 2017

WATER WELL PROJECT FUND

	<u>Actual</u>
RECEIPTS	
KDHE Loan Proceeds	<u>\$ 334,465</u>
EXPENDITURES	
Engineering	7,619
Other Contractual Services	323,168
Loan Fee	<u>1,246</u>
Total Expenditures	<u>332,033</u>
Receipts Over (Under) Expenditures	2,432
UNENCUMBERED CASH, January 1, 2017	<u>(51,200)</u>
UNENCUMBERED CASH, December 31, 2017	<u>\$ (48,768) *</u>

\* See Note 3, Cash Basis Exception

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Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

SWIMMING POOL FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Admissions	\$ 4,436	\$ 7,500	\$ (3,064)
Concessions	1,991	2,800	(809)
Lessons	645	2,600	(1,955)
Grants & Donations	4,375	5,000	(625)
Total Receipts	11,447	\$ 17,900	\$ (6,453)
<b>EXPENDITURES</b>			
Personal Services	-	\$ 5,371	\$ (5,371)
Utilities	3,622	3,000	622
Supplies	962	2,000	(1,038)
Chemicals	-	4,000	(4,000)
Concessions	1,522	1,200	322
Repairs	-	4,217	(4,217)
Red Cross Training	965	900	65
Miscellaneous	-	1,800	(1,800)
Maintenance	1,626	-	1,626
Total Expenditures	8,697	\$ 22,488	\$ (13,791)
Receipts Over (Under) Expenditures	2,750		
UNENCUMBERED CASH, January 1, 2017	20		
UNENCUMBERED CASH, December 31, 2017	\$ 2,770		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

WATER FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Fees Collected	\$ 100,281	\$ 109,100	\$ (8,819)
<b>EXPENDITURES</b>			
Personal Services	40,416	\$ 24,000	\$ 16,416
Operations	-	73,000	(73,000)
Remittances	2,551	3,200	(649)
Capital Outlay	-	21,187	(21,187)
Health Insurance	12,774	-	12,774
Contract Labor	13,001	-	13,001
Rental Expense	213	-	213
Mileage	704	-	704
Training & Education	759	-	759
Other Contractual Services	8,485	-	8,485
Testing Services	2,348	-	2,348
Permits & Licenses	135	-	135
Fuel for Vehicles	1,855	-	1,855
Miscellaneous	39	-	39
Reimbursements	510	-	510
Maintenance	1,807	-	1,807
Supplies	6,924	-	6,924
Utilities	9,385	-	9,385
Debt Services	7,642	-	7,642
Office Expense	1,256	-	1,256
Outgoing Transfer			
Capital Improvements Fund	-	5,000	(5,000)
Total Expenditures	110,804	\$ 126,387	\$ (15,583)
Receipts Over (Under) Expenditures	(10,523)		
UNENCUMBERED CASH, January 1, 2017	31,557		
UNENCUMBERED CASH, December 31, 2017	\$ 21,034		

CITY OF KENSINGTON  
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Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

SEWER FUND

	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>			
Fees Collected	\$ 42,643	\$ 50,000	\$ (7,357)
<b>EXPENDITURES</b>			
Personal Services	18,618	\$ 13,000	\$ 5,618
Operations	-	22,000	(22,000)
Capital Outlay	-	28,948	(28,948)
Utilities	1,236	-	1,236
Mileage	294	-	294
Training & Education	364	-	364
Testing Services	352	-	352
Permits & Licenses	210	-	210
Miscellaneous	168	-	168
Maintenance	5,143	-	5,143
Supplies	1,250	-	1,250
Outgoing Transfer			
Capital Improvements Fund	-	20,000	(20,000)
Total Expenditures	27,635	\$ 83,948	\$ (56,313)
Receipts Over (Under) Expenditures	15,008		
UNENCUMBERED CASH, January 1, 2017	54,056		
UNENCUMBERED CASH, December 31, 2017	\$ 69,064		

CITY OF KENSINGTON  
Kensington, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For the Year Ended December 31, 2017

SOLID WASTE FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Fees Collected	\$ 33,924	\$ 38,000	\$ (4,076)
EXPENDITURES			
Removal of Waste	27,600	\$ 30,000	\$ (2,400)
Testing & Tipping Fees	-	7,431	(7,431)
Outgoing Transfer			
Capital Improvements Fund	-	16,800	(16,800)
Total Expenditures	<u>27,600</u>	<u>\$ 54,231</u>	<u>\$ (26,631)</u>
Receipts Over (Under) Expenditures	6,324		
UNENCUMBERED CASH, January 1, 2017	<u>23,326</u>		
UNENCUMBERED CASH, December 31, 2017	<u>\$ 29,650</u>		

CITY OF KENSINGTON  
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Schedule 3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS  
For the Year Ended December 31, 2017

AGENCY FUNDS

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Hospital Sales Tax	\$ 2,615	\$ 33,827	\$ 33,965	\$ 2,477
Payroll Clearing	-	97,224	94,113	3,111
Utility Meter Deposit	<u>5,850</u>	<u>1,400</u>	<u>1,400</u>	<u>5,850</u>
Total Agency Funds	<u>\$ 8,465</u>	<u>\$ 132,451</u>	<u>\$ 129,478</u>	<u>\$ 11,438</u>